

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 94-089-C - ORDER NO. 94-567 ✓  
JULY 1, 1994

IN RE: Application of American Telecommunications     ) ORDER  
Enterprise, Inc. for a Certificate of                 ) APPROVING  
Public Convenience and Necessity to Operate        ) CERTIFICATE  
as a Reseller of Telecommunications Services        )  
within the State of South Carolina.                 )  
  )  
  )

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of American Telecommunications Enterprise, Inc. (American Telecom or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. American Telecom's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Law. Co-op. 1976), as amended, and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed American Telecom to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of American Telecom's Application and of the manner and time in which to file the appropriate pleadings for participation in these proceedings. American Telecom complied with this instruction and

provided the Commission with proof of publication of the Notice of Filing. Petitions to Intervene were filed by Southern Bell Telephone and Telegraph Company (Southern Bell) and the Consumer Advocate for the State of South Carolina (the Consumer Advocate). Southern Bell's subsequent Motion to Withdraw from this proceeding was granted by the Commission in Order No. 94-507, dated May 26, 1994. By letter dated May 27, 1994, the Consumer Advocate informed the Commission that it no longer wished to participate in these proceedings. Consequently, the Commission allows the Consumer Advocate to withdraw from further participation in these proceedings.

Lawrence H. Tisch, Vice President of American Telecom, submitted testimony and an affidavit on behalf of the Company. Mr. Tisch explained the nature of the Company's request for authority to provide interLATA and, to the extent allowed, intraLATA telecommunications services at aggregator locations through the resale of existing network facilities. Mr. Tisch testified American Telecom will only utilize underlying carriers who are certified by this Commission and will comply with all Commission Orders regarding the resale of interexchange carrier services. Mr. Tisch testified that American Telecom is currently providing telecommunications services in twenty-eight other states.

After full consideration of the applicable law, the Application, and the testimony of record, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. American Telecom is incorporated under the laws of the State of Florida and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. American Telecom operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina.

3. The Commission finds that American Telecom has the experience, capability, and financial resources which are sufficient to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to American Telecom to provide intrastate service through the resale of Wide Area Telecommunications Services (WATS), Message Telecommunications Services (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for American Telecom for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re:

Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984). The Commission adopts American Telecom's proposed maximum rate tariff, except where the tariff does not conform with the findings contained in this Order.

3. American Telecom shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. American Telecom shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of American Telecom's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Law Co-op. 1976), as amended.

4. American Telecom shall file its tariff and an accompanying price list within thirty (30) days of the date of this Order. Further, the tariff shall be filed in a loose-leaf binder.

5. American Telecom is subject to access charges pursuant to Commission Order 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to American Telecom's resale of service, an end user should be able to access another interexchange carrier or operator service provider, if he so desires.

7. American Telecom shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If American Telecom changes underlying carriers, it shall notify the Commission in writing.

8. American Telecom shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

9. Further, American Telecom shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

10. With respect to the provision of operator services to hospitality locations and private pay telephones, American Telecom shall not charge rates any greater than AT&T's intrastate interLATA rates at the time the call is completed.

11. American Telecom is required to provide "tent" cards to hotels and motels for placement of guest telephones and stickers to customer-owned pay telephones identifying the Company as the provider of operator services for intrastate interLATA calls.


American Telecom is required to brand all operator calls identifying itself as the carrier of such calls. The information pieces shall be consistent with the format approved by the Commission in Order No. 93-811 issued in Docket No. 92-557-C.

12. American Telecom shall be allowed to incorporate in its tariff a subscriber surcharge to be applied to operator-assisted and calling card calls not to exceed \$1.00 for calls originating from hotels, motels, and pay telephones only if the property owner or pay telephone provider has not already added any other surcharge. That is, the Company may not impose an additional surcharge to calls originating from hotels, motels, or pay telephones if a surcharge is already imposed by the property owner. This surcharge shall be paid in its entirety to the property owner. Further, if the surcharge is applied on behalf of a property owner, the end user shall be notified of the application of the surcharge. This notification shall be included in the information pieces as previously required by this Order.

13. For the provision of operator services, American Telecom shall comply with the Operator Service Provider (OSP) Guidelines approved in this Commission's Order No. 93-534 issued under Docket No. 93-026-C.

14. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)

DOCKET NO. 94-089-C - ORDER NO. 94-567  
JULY 1, 1994  
ATTACHMENT A

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**ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS**  
**FOR RESELLERS OF TELECOMMUNICATION SERVICE**

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR 12 MONTHS  
ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

\*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,  
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN  
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF  
CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR ENDING  
\_\_\_\_\_.

\*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION  
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND  
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE  
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL  
AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3  
ABOVE).